

REP. WILSON BACKS COMPREHENSIVE PLAN TO SUPPORT HOMEOWNERS, ADDRESS MORTGAGE CRISIS

Washington, D.C. – Rep. Charlie Wilson (OH-6) today backed the most comprehensive response yet to the American mortgage crisis. The American Housing Rescue and Foreclosure Prevention Act will help families keep their homes, aid local communities hit hard by the foreclosure crisis and strengthen the economy and financial markets. The bill was passed today in the House by a vote of 272-152.

“Unfortunately the mortgage crisis has hit Ohio really hard,” Wilson said. “I’m proud that this comprehensive bill includes language that I helped to draft early last year that clearly outlines unacceptable practices when it comes to influencing house appraisals. Unfair house appraisals have led to some families actually owing more than what their house is worth. That’s bad for working families, for communities and for our economy.”

This legislation will also require civil penalties for improperly influencing house appraisals.

In addition, the American Housing Rescue and Foreclosure Prevention Act will allow hard-working American families in danger of losing their home to refinance into lower-cost government -insured mortgages they can afford to repay – at no cost to the American taxpayer. The legislation also:

- expands homeownership opportunities for veterans and helps returning soldiers avoid foreclosure and stay in their home;
- provides tax breaks to spur home buying;
- creates a new fund to boost the nation’s stock of affordable rental housing in both rural and urban areas for low and very low-income individuals and families; and
- strengthens neighborhoods hardest hit by the foreclosure crisis by providing \$4 billion to allow cities and states to buy up and rehabilitate foreclosed properties that are currently driving down home prices, reducing state and local revenues, and destabilizing neighborhoods.

“I’m proud that this major piece of legislation will also allow communities to use some of that money to demolish blighted properties, if they need to,” Wilson said. “If foreclosed properties are so far gone that they can’t be rehabilitated, neighborhoods need to have the option to get rid of the problem. I fought hard for communities to have this option, and I’m pleased that it’s included.”

The legislation passed today also includes provisions that will help restore confidence in financial markets and shore up Fannie Mae and Freddie Mac. The bill provides the Department of the Treasury with emergency and temporary financing authority for these two government sponsored enterprises. Fannie and Freddie are important institutions that hold or guarantee nearly half of all mortgages in the United States.

The legislation has earned bipartisan support in both the House and Senate, and President Bush has indicated that he will sign the bill into law.